

AMENDED IN ASSEMBLY AUGUST 10, 2006

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN ASSEMBLY JUNE 22, 2006

AMENDED IN SENATE MAY 2, 2006

AMENDED IN SENATE APRIL 20, 2006

SENATE BILL

No. 1427

Introduced by Senator Chesbro

February 22, 2006

An act to add Section 14132.103 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, Chesbro. Medi-Cal: federally qualified health centers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which health care services are provided to qualified low-income persons. Federally qualified health center (FQHC) services described under federal law are covered Medi-Cal benefits. Existing law includes within the definition of an FQHC certain entities known as FQHC look-alikes, which have been determined to meet specified funding requirements, but have not received that funding.

Existing law requires that FQHCs be reimbursed on a per-visit basis, and allows an FQHC to apply for an adjustment to its per-visit rate based on a change in the scope of services it provides.

This bill would, subject to the availability of federal financial participation, ~~require reimbursement under the Medi-Cal program for~~

~~FQHC services, as described under federal law, to an FQHC patient, as defined, by FQHC service providers, as defined, at locations other than an FQHC's primary care clinic site, under designated circumstances, subject to prescribed reimbursement rate limitations allow an FQHC to bill the Medi-Cal program for FQHC services, as defined, delivered in locations other than the FQHC's site or sites by a provider who is an employee or a contracted member of the staff of the FQHC if specified requirements are met.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14132.103 is added to the Welfare and
2 Institutions Code, to read:
3 14132.103. (a) For purposes of this section, the following
4 definitions shall apply:
5 (1) "Federally qualified health center (FQHC)" means an
6 entity described in subparagraph (B) of paragraph (2) of
7 subdivision (l) of Section 1396d of Title 42 of the United States
8 Code.
9 (2) "FQHC services" means services defined in subparagraph
10 (C) of paragraph (2) of subdivision (a) of Section 1396d of Title
11 42 of the United States Code.
12 (b) (1) An FQHC may bill the Medi-Cal program for FQHC
13 services delivered in locations other than the FQHC's site or
14 sites by a provider who is an employee or a contracted member
15 of the staff of the FQHC if the requirements of this subdivision
16 are met.
17 (2) The requirements of Section 14132.100 to Section
18 14132.102, inclusive, and of the California Medicaid State Plan
19 shall apply to the same extent as if the services were provided at
20 the FQHC's site or sites.
21 (3) Employees or contracted members of the staff of the FQHC
22 who deliver FQHC services at offsite locations on behalf of the
23 FQHC shall be licensed, certified, or registered, as applicable,
24 under state law, and maintain written contracts with, or other
25 written authorization from, the FQHC to provide services to
26 FQHC patients at the offsite locations.

(4) *The FQHC services shall be provided in the offsite location, rather than at the FQHC's site or sites, consistent with the entity's responsibilities as an FQHC, for health or medical reasons.*

(c) *The department shall promptly seek all necessary federal approvals in order to implement this section, including any amendments to the California Medicaid State Plan. To the extent that any element or requirement of this section is not approved, the department shall submit a request to the federal Centers for Medicare and Medicaid Services for any waivers or state plan amendments that may make it possible to implement this section.*

(d) *The department shall implement this section only to the extent that federal financial participation is obtained.*

(e) (1) *The department may, until January 1, 2009, adopt emergency regulations to implement this section in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).*

(2) *The adoption of emergency regulations described in paragraph (1) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. The emergency regulations authorized by this subdivision shall be submitted to the Office of Administrative Law for filing with the Secretary of State and Publication in the California Code of Regulations.*

(3) *Notwithstanding paragraphs (1) and (2), the director may, until January 1, 2009, issue any instructions and forms that are consistent with and necessary to implement and administer this section and any applicable provisions of the California Medicaid State Plan. The adoption of these instructions and forms shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).*

~~SECTION 1. The Legislature finds and declares all of the following:~~

~~(a) Federally qualified health centers (FQHCs) and FQHC look-alikes are required to meet the program expectations for entities funded pursuant to Section 330 of the Public Health Services Act as amended by Public Law 104-299, the Health Centers Consolidation Act of 1996 (Section 254b of Title 42 of~~

1 the United States Code), and as interpreted by the Health
2 Resources and Services Administration, Bureau of Primary
3 Health Care (BPHC).

4 (b) Based on the federal Bureau of Primary Health Care
5 (BPHC) Policy Information Notice 98-23 outlining program
6 requirements for FQHCs, FQHCs and FQHC look-alikes are
7 required to provide, directly or through contracts or cooperative
8 arrangements, basic health services, including primary care,
9 diagnostic laboratory and radiologic services, preventive
10 services, including prenatal and perinatal services, cancer and
11 other disease screening, well child services, immunizations
12 against vaccine-preventable diseases, screening for elevated
13 blood lead levels, communicable diseases and cholesterol, eye,
14 ear, and dental screening for children, family planning services
15 and preventive dental services, emergency medical and dental
16 services, and pharmaceutical services, as appropriate to a
17 particular health center.

18 (c) According to the BPHC, FQHCs and FQHC look-alikes
19 are required to provide services at locations that ensure services
20 are accessible to the community being served, including at
21 locations ranging from homeless shelters to migrant farmworker
22 camps to public housing communities to schools.

23 (d) In addition, the BPHC requires FQHCs and FQHC
24 look-alikes with programs serving people who are homeless or
25 mobile to engage in extensive outreach to provide services
26 wherever the patients are.

27 SEC. 2. Section 14132.103 is added to the Welfare and
28 Institutions Code, to read:

29 14132.103. (a) Subject to the reimbursement provisions of
30 Section 14087.325, and Sections 14132.100 to 14132.102,
31 inclusive, when billed at the federally qualified health center's
32 (FQHC) prospective payment system rate, the department shall
33 pay the FQHC's rate for FQHC services, as described in
34 subparagraph (C) of paragraph (2) of subdivision (a) of Section
35 1396d of Title 42 of the United States Code, which are provided
36 by FQHC service providers who are licensed pursuant to the
37 Business and Professions Code, as defined in paragraph (3) of
38 subdivision (b), at locations other than the FQHC's clinic site or
39 sites, when approved as within the FQHC's scope of project by
40 the Health Resources and Services Administration to the extent

1 required by federal law, and including both of the following
2 locations:

3 (1) Where the services are consistent with the facility's
4 responsibilities as an FQHC.

5 (2) Where services are provided to FQHC patients at a
6 location that will ensure continuity of care for health
7 maintenance or medical reasons.

8 (b) For purposes of this section:

9 (1) "FQHC" includes an FQHC look-alike, as described in
10 subclause (II) of clause (ii) of subparagraph (B) of paragraph (2)
11 of subdivision (l) of Section 1396d of Title 42 of the United
12 States Code.

13 (2) "FQHC patient" means an individual who receives services
14 at a clinic licensed or exempt from licensure under Section 1204
15 or 1206 of the Health and Safety Code, a mobile health care unit
16 licensed or exempt from licensure under Chapter 9 (commencing
17 with Section 1765.101) of Division 2 of the Health and Safety
18 Code, operated by an FQHC, or at other locations for which the
19 costs of services are included in the FQHC costs and the services
20 are included as part of the FQHC's scope of project to the extent
21 required by federal law.

22 (3) "FQHC service provider" means a provider of the type
23 described in subdivision (g) of Section 14132.100 who is either
24 on the staff of the FQHC as an employee or is an independent
25 contractor under the governance of the FQHC.

26 (c) An FQHC shall not bill its prospective payment system
27 rate for health care services to FQHC patients provided under
28 arrangement at locations other than clinic settings operated by,
29 and within the scope of project of, an FQHC for the purpose of
30 passing through the FQHC's prospective payment system rate to
31 another Medi-Cal provider.

32 (d) Notwithstanding subdivision (c), an FQHC may bill its
33 prospective payment system rate, and the department shall pay
34 the rate, for services furnished to FQHC patients under an
35 arrangement with a provider of a type described in subdivision
36 (g) of Section 14132.100, who is not an FQHC provider, when
37 services are delivered at locations other than clinic settings
38 operated by, and within the scope of project of, an FQHC if both
39 of the following conditions are met:

1 ~~(1) The arrangement for services has received prior written~~
2 ~~approval by the director as necessary and appropriate to ensure~~
3 ~~access to medically necessary services for Medi-Cal program~~
4 ~~beneficiaries.~~

5 ~~(2) The provision of FQHC services to FQHC patients remains~~
6 ~~under the governance, administration, clinical management, and~~
7 ~~quality assurance of the FQHC pursuant to written agreement~~
8 ~~with the provider of the services.~~

9 ~~(e) The director shall make a final determination on the written~~
10 ~~request made pursuant to subdivision (d) within 30 days of~~
11 ~~receipt of that request, subject to all of the following conditions:~~

12 ~~(1) The FQHC demonstrates either that no providers of the~~
13 ~~types of speciality services needed in the FQHC's catchment~~
14 ~~area, as defined in subparagraph (B) of paragraph (1) of~~
15 ~~subdivision (a) of Section 2546 of Title 42 of the United States~~
16 ~~Code, are actively enrolled in the Medi-Cal program, or that~~
17 ~~FQHC patients are unable to access speciality services within a~~
18 ~~timeframe or geographic distance that is consistent with sound~~
19 ~~medical practice.~~

20 ~~(2) The provider is duly licensed under the Business and~~
21 ~~Professions Code.~~

22 ~~(3) The provider has not been denied enrollment in, or~~
23 ~~suspended from, the Medi-Cal program pursuant to Article 1.3~~
24 ~~(commencing with Section 14043), within the previous three~~
25 ~~years.~~

26 ~~(f) This section shall only be implemented to the extent that~~
27 ~~federal financial participation is available.~~